

U.S. is Now a Net Exporter of Refined Petroleum Products, Energy Information Agency Says New Offshore Drilling Will Do Nothing to Lower Prices at the Pump

Washington, DC - An attempt by Congressman Maurice Hinchey (D-NY) and House Democrats to bring up a bill to end massive subsidies for the oil and gas industry was blocked today by House Republicans who instead forced through a bill that would cut even more corners for the already profitable industry. The Democrat's legislation entitled the Big Oil Welfare Repeal Act of 2011 (H.R. 1689) would have ended \$30 billion in subsidies for the five largest oil companies, some of which have seen profits soar by as much as 70 percent on record-high oil prices. Hinchey voted no on the Republican alternative, which would have allowed the industry to escape common-sense environmental reviews, risking future oil spills.

"Domestic production is already at a record high," said Hinchey. "But instead of focusing on what's really driving oil prices - rampant speculation and a lack of alternative fuels - the Republican majority is working to cut more corners for Big Oil, eliminating sensible environmental review processes. A year ago today, we were just 15 days into the Deepwater Horizon oil spill disaster in the Gulf of Mexico. In all, nearly 5 million barrels of oil were dumped into the water. Instead of providing huge new Big Oil giveaways that put our environment and coastal communities at risk, we need to end \$30 billion in Big Oil welfare, invest in renewable energy and investigate Wall Street speculation that's driving up prices."

Hinchey voted against H.R. 1230, which would require the Secretary of the Interior to rely on pre-Deepwater Horizon environmental reviews when holding newly required lease sales in the Gulf of Mexico and off the Coast of Virginia. Hinchey noted that "at a minimum, we need oil companies to demonstrate that they can contain an underwater spill, but this bill would limit the Interior Secretary's ability to apply that standard."

The U.S. Department of Energy's Energy Information Administration (EIA) has recently reported that the U.S. has become a net exporter of refined petroleum products for the first time in 20 years. The most recent data from EIA also shows that crude oil production in federal waters is at a record high and that opening up more of the the Outer Continental Shelf to new drilling will do nothing to lower gas prices.

Hinchey's was an original cosponsor of the Big Oil Welfare Repeal Act of 2011 and has worked for years to cut the deficit by ending billions of Big Oil subsidies. Hinchey has also co-authored legislation to cut the deficit by \$53 billion by closing a loophole that has enabled Big Oil to avoid paying royalties for taxpayer-owned oil resources they have drilled for in the Gulf.

Hinchey also worked to pass the Dodd-Frank Wall Street Reform Bill that enables the Commodity Futures Trading Commission (CFTC) to impose tough new rules to crack down on oil speculation. The CFTC recently released new data indicating that speculation had increased by 64 percent since June 2008 to the highest level on record. To address the problem, Hinchey has urged the CFTC to use its authority to immediately crack down on speculation.